

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Gregory Scott
Edward A. Garvey
Marshall Johnson
LeRoy Koppendrayner
Phyllis A. Reha

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of the Joint Petition of Citizens
Utilities Company and GTE Corporation for
Approval of Citizens' Acquisition of GTE
Telephone Properties

ISSUE DATE: January 22, 2002

DOCKET NO. P-5316, 407/PA-99-1239

ORDER ADOPTING STIPULATION AND
AMENDING ORDER OF JULY 24, 2000

PROCEDURAL HISTORY

On July 24, 2000, the Commission issued an Order in this case permitting Citizens Utilities Company to acquire GTE Corporation's local telephone operations in Minnesota.¹ In that Order the Commission accepted and adopted a stipulation signed by all parties, which placed conditions on the acquisition, including comprehensive service quality standards. The stipulation prescribed penalties and individual customer remedies for failing to meet these service quality standards.

On December 13, 2001, Citizens filed a petition to modify the stipulation's treatment of repeat troubles, which requires \$3.00-per-customer bill credits throughout any exchange in which repeat troubles constitute 10% or more of total trouble reports in any three months of the reporting year. The Company explained that in very small exchanges, even one repeat trouble in three separate months could trigger these penalties, since small exchanges would often have fewer than ten total monthly troubles.

The Company proposed to revise the stipulation to measure its performance and assess any penalties on a statewide basis, rather than an exchange-by-exchange basis, and to lower the penalty threshold from 10% of total trouble reports to 9%. The Company also proposed to add a provision requiring a one-month bill credit for any individual customer experiencing a repeat trouble call.

All parties to the original stipulation agreed to the proposed revision and signed an Amendment to Stipulation, copy attached. On January 8, 2002, the proposed revision came before the Commission.

¹ ORDER APPROVING SALE, GRANTING ETC STATUS, AND ISSUING
CERTIFICATE OF AUTHORITY AND REQUIRING FILINGS.

FINDINGS AND CONCLUSIONS

The Commission agrees with the parties that the proposed revisions to the Company's service quality standards are fair and reasonable and should be accepted.

These revisions are consistent with the public interest, which is adequately protected by the reduced penalty threshold and the increased individual customer remedies proposed. They are equitable to the Company, which should not face large financial penalties solely because small exchanges skew its repeat trouble reporting percentages. They are consistent with service quality standards adopted in other dockets, such as the Qwest and Frontier Alternative Form of Regulation dockets, which measure repeat trouble reports on a statewide basis.²

For all these reasons, the Commission will accept and adopt the proposed Amendment to Stipulation, which is attached to and incorporated into this Order. The Commission will amend its Order of July 24, 2000 to reflect this action.

ORDER

1. The Commission accepts and adopts the Amendment to Stipulation, copy attached, signed by all parties and filed by Citizens Telecommunications Company of Minnesota on December 13, 2001.
2. The Commission amends its July 24, 2000 Order in this case to reflect the terms of the Amendment to Stipulation accepted and adopted above.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

(S E A L)

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² In the Matter of Qwest Corporation's Alternative Form of Regulation (AFOR) Service Quality Plan, Docket No. P-421/AR-97-1544; In the Matter of a Petition by Frontier Communications of Minnesota, Inc. Requesting Adoption and Renewal of An Alternative Regulation Plan, Docket No. P-405/AR-00-394.